

NEW MEXICO OFFICE OF THE STATE AUDITOR
 REPORT REVIEW GUIDE SUPPLEMENT
 FOR TIER 6 AGREED-UPON PROCEDURES OF LOCAL PUBLIC BODIES
 FOR PERIODS ENDING ON OR AFTER JUNE 30, 2017

The report review guide for Tier 3, Tier 4 and Tier 5 AUP engagements should be completed for all local public bodies that were required by Section 12-6-3 NMSA 1978 (as amended) to procure independent public accountant services for a Tier 6 agreed-upon procedures engagement. In addition, this review guide supplement should also be used for local public bodies that were required to have a Tier 6 agreed-upon procedures engagement. Note that the Compilation standards were updated by AR-C Statements on Standards for Accounting and Review Services (Clarified) effective for engagements performed for periods ending on or after December 15, 2015.

THIS REPORT REVIEW GUIDE SUPPLEMENT IS FOR REVIEWS OF TIER 6 ONLY AND RELATES TO COMPLIANCE WITH AICPA PROFESSIONAL STANDARDS FOR COMPILATION ENGAGEMENTS: Because a compilation engagement is not an assurance engagement, a compilation engagement does not require the IPA to verify the accuracy or completeness of the information provided by management or otherwise gather evidence to express an opinion or a conclusion on the financial statements.	
COMPILATION PROCEDURES – AR-C Section 80.13	
The IPA should read the financial statements in light of the IPA’s understanding of the applicable financial reporting framework and the significant accounting policies adopted by management and consider whether such financial statements appear to be appropriate in form and free from obvious material misstatements.	YES ___ NO ___ N/A ___ Comments:
Do the financial statements appear to be appropriate in form (per the AUP requirements) and free from obvious material misstatements?	Page Ref:
GASBS 68 PENSION PLAN REPORTING BY EMPLOYERS	
For agencies that participate in PERA, does the ending Net Pension Liability reported in the agency’s statement of net position tie to the 2016 Net Pension Liability reported in the “Schedule of Pension Amounts (In Summation) by Employers Participating in PERA” included in the PERA Schedule of Employer Allocations and Pension Amounts June 30, 2016?	YES ___ NO ___ N/A ___ Comments:
For agencies that participate in ERB, does the ending Net Pension Liability reported in the agency’s statement of net position tie to the Net Pension Liability, June 30, 2016 reported in the “Schedule of Pension Amounts by Employer” included in the ERB Schedules of Employer Allocations and Pension Amounts by Employer June 30, 2016?	Page Ref:
Does the GASBS 68 Disclosure follow the relevant example provided at GASBS 68 Appendix C, and was the disclosure modified appropriately (if applicable)? For example, primary governments that participate in single employer plans like the Judicial, Magistrate and Volunteer Firefighter plans may need additional disclosure language.	YES ___ NO ___ N/A ___ Comments:
Does the GASBS 68 Required Supplementary Information (RSI) follow the relevant example provided at GASBS 68 Appendix C?	YES ___ NO ___ N/A ___ Comments: Page Ref:
COMPILATION REPORT REQUIREMENTS – AR-C Section 80.17	
Is the IPA’s compilation report written and does it include the following items required by AR-C Section 80.17:	
• A statement that management is responsible for the financial statements;	YES ___ NO ___ N/A ___ Comments: Page Ref:
• Identification of the financial statements that have been subjected to	YES ___ NO ___ N/A ___

the compilation engagement;	Comments: Page Ref:
• Identification of the entity whose financial statements have been subjected to the compilation engagement;	YES ___ NO ___ N/A ___ Comments: Page Ref:
• The date or period covered by the financial statements;	YES ___ NO ___ N/A ___ Comments: Page Ref:
• A statement that the IPA performed the compilation engagement in accordance with SSARs promulgated by the Accounting and Review Services Committee of the AICPA;	YES ___ NO ___ N/A ___ Comments: Page Ref:
• A statement that the IPA did not audit or review the financial statements nor was the IPA required to perform any procedures to verify the accuracy or completeness of the information provided by management and, accordingly, does not express an opinion, a conclusion, nor provide any assurance on the financial statements;	YES ___ NO ___ N/A ___ Comments: Page Ref:
• The signature of the IPA or the IPA firm;	YES ___ NO ___ N/A ___ Comments: Page Ref:
• The city and state where the IPA practices (This information can be provided in the firm letterhead pursuant to AR-C 80.A26);	YES ___ NO ___ N/A ___ Comments: Page Ref:
• The date of the report, which should be the date that the IPA completed the required compilation procedures?	YES ___ NO ___ N/A ___ Comments: Page Ref:
Since the financial statements are prepared in accordance with a special purpose framework (presenting only the fund financial statements and related notes) does the compilation report include the following disclosures required by AR-C Section 80.18, if applicable?	
• Do the financial statement disclosures include: (1) a description of the special purpose framework; (2) a summary of significant accounting policies; (3) an adequate description about how the special purpose framework differs from GAAP; and (4) informative disclosures similar to those required by GAAP when the financial statements contain items that are the same as, or similar to, those in financial statements prepared in accordance with GAAP.	YES ___ NO ___ N/A ___ Comments: Page Ref:
• Pursuant to AR-C 80.21, does the IPA's compilation report on the financial statements prepared in accordance with a special purpose framework include a separate paragraph that: (1) says the financial statements are prepared in accordance with the applicable special purpose framework; (2) refers to the note disclosure that describes the framework; and (3) states that the special purpose framework is a basis of accounting other than GAAP?	YES ___ NO ___ N/A ___ Comments: Page Ref:
If the IPA became aware of a departure from the applicable reporting framework (including inadequate disclosure) that was material to the financial statements and the financial statements were not revised:	
• Did the IPA modify the compilation report to include a separate paragraph containing the elements required by AR-C 80.27? (See AR-C 80, Exhibit B for examples of compilation report language) Note that the IPA should not modify the compilation report to state that the financial statements were not in conformity with the applicable financial reporting framework (AR-C 80.33).	YES ___ NO ___ N/A ___ Comments: Page Ref:

<ul style="list-style-type: none"> • If there was such a departure from the reporting framework, were the effects of the departure on the financial statements disclosed if known, or did the IPA state in the report that such a determination was not made by management? (AR-C 80.30-31) 	<p>YES _____ NO _____ N/A _____</p> <p>Comments:</p> <p>Page Ref:</p>
<p>For the compilation of fund financial statements and related note disclosures required by the Tier 6 AUP (when the IPA has not noted a departure from the required framework in the fund financial statements and notes) does the report format generally follow the report example shown below (compiled from AR-C 80 Exhibit B, and modified for a governmental entity)?</p> <p>Management is responsible for the accompanying financial statements of (the local public body name), which comprise the balance sheets-governmental funds, statements of net position- proprietary funds and statements of fiduciary net position- fiduciary funds, for each individual fund, as of XX/XX/XX and the related statements of revenues, expenditures and changes in fund balances– governmental funds, statements of revenues, expenses and changes in net position– proprietary funds and statements of changes in fiduciary net position- fiduciary funds, for each individual fund for the years then ended, and the related notes to the financial statements in accordance with the requirements of Section 2.2.2.16 <i>New Mexico Administrative Code</i> (NMAC). I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.</p> <p>In order to comply with the requirements of Section 12-6-3(B) NMSA 1978 and 2.2.2.16 NMAC, management has presented: (1) the governmental fund financial statements prepared using the modified accrual basis of accounting; (2) the proprietary fund financial statements and the fiduciary fund financial statements prepared using the accrual basis of accounting; and (3) only the notes related to those financial statements. However, in complying with these requirements, management has omitted the following financial statements and notes required by accounting principles generally accepted in the United States of America (GAAP): (a) the accompanying government-wide financial statements; (b) the statement of cash flows- proprietary funds; and (3) note disclosures related to items (a) and (b). These omissions result in the financial statements being presented on a basis of accounting other than GAAP*.</p> <p>Signature of IPA or IPA Firm City and state where the IPA practices Date of the report</p> <p>*(The bold wording above is required to be included in the compilation report by AR-C 80.21).</p>	<p>YES _____ NO _____ N/A _____</p> <p>Comments:</p> <p>Page Ref:</p>